



Elders Living on the Edge

Toward Economic Security for
Connecticut's Older Adults

2009



Acknowledgements

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About the Permanent Commission on the Status of Women

The Permanent Commission on the Status of Women (PCSW) — The State's leading force for women's equality — has advanced the discussion on economic security in Connecticut over the last thirty-five years. PCSW was created in 1973 by an act of the Connecticut General Assembly (Public Act 73-559). Under Sections 46a-1 through 46a-6 of the Connecticut General Statutes, a seventeen-member commission, staff, and volunteers work to eliminate sex discrimination in Connecticut. Our work is to inform leaders about the nature and scope of discrimination, to serve as a liaison between government and private interest groups concerned with services for women, to promote consideration of women for governmental positions, and to work with State agencies to access programs and practices as they affect women. Economic security is PCSW's top public policy priority. We see the Elder Economic Security Initiative™ as an opportunity to advance our focus on economic security throughout the lifespan. For more information about PCSW, see www.cga.ct.gov/PCSW/.



About the Connecticut Commission on Aging

The Commission on Aging (CoA) is an independent state agency advocating on behalf of Connecticut's present and future generations of older adults. CoA was created in 1993 by an act of the Connecticut General Assembly (Public Act 93-262). Under Section 17b-420 of the Connecticut General Statutes, a thirty-three member commission, staff and volunteers work to improve the lives of older adults of today and tomorrow. The Commission has launched several recent complementary projects, including a "Redefining Retirement Years" initiative. Additionally, the Commission was instrumental in the completion of the state's first Long-Term Care Needs Assessment in over twenty years, conducted by the University of Connecticut Health Center — Center on Aging. The 2007 study collected needed data about the long-term care needs of state residents and made recommendations towards long-term care systems change. The Elder Economic Security Index builds on that long-term care needs assessment and advances the dialogue on financial aspects of long-term care. For more information about CoA, see www.cga.ct.gov/coa. For information about long-term care services and supports in Connecticut, see www.ct.gov/longtermcare.



Wider Opportunities for Women (WOW)

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, DC to achieve economic independence and equality of opportunity for women and their families at all stages of life. For over 40 years, WOW has been a leader in the areas of nontraditional employment, job training and education, welfare to work and workforce development policy. Since 1995, WOW has been devoted to the self-sufficiency of women and their families through the national Family Economic Self-Sufficiency (FESS) Project. Through FESS, WOW has reframed the national debate on social policies and programs from one that focuses on poverty to one that focuses on what it takes families to make ends meet. Building on FESS, WOW has expanded to meet its intergenerational mission of economic independence for women at all stages of life with the Elder Economic Security Initiative™. For more information about WOW's programs please visit www.wowonline.org or call WOW at 202-464-1596.

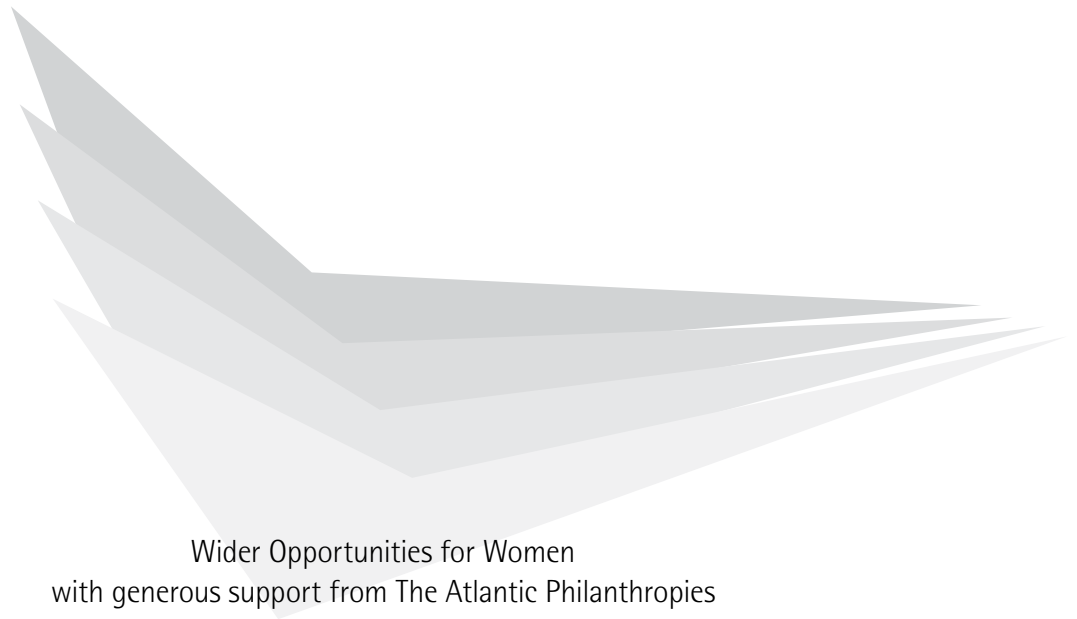
The Elder Economic Security Standard™ Index for Connecticut was tabulated by the Gerontology Institute at the University of Massachusetts Boston and Wider Opportunities for Women (WOW) as part of the National Elder Economic Security Initiative™ at WOW.

Elders Living on the Edge: Toward Economic Security for Connecticut's Older Adults

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The Connecticut Elder Economic Security Initiative

Because Connecticut is "graying" and the proportion of women among our elderly is growing, the Connecticut Elder Economic Security Initiative™ poses an opportunity for us to respond to demographic changes which are already transforming our economy, our workplaces and our families. Current economic realities make redefining retirement and economic security for older adults vital to both Connecticut's economy and to women.

The demise of pensions and employer-sponsored retirement plans, lower rates of homeownership, and fewer financial assets held by households place greater weight on Social Security as a guaranteed source of income, particularly for women. The Elder Economic Security Standard™ Index provides a new way to examine what older adults face in retirement. Poverty increases with age and is much more common among older women than men. Elder poverty disproportionately affects women of color and those who live alone.

Older adults who rely primarily on Social Security and those who have suffered significant losses in retirement investments need access to state and federal assistance. Given today's cost of living and the premium for living in a high cost state such as Connecticut, a range of stable programs is needed.

Connecticut has a complex array of public and private supports to assist older adults struggling to make ends meet. Current budget shortfalls provide opportunities for policymakers to evaluate programs for older adults. Some programs can make a critical difference for those whose income falls short of basic needs. This brief assesses the effectiveness of public supports on the ability of elders to make ends meet in Connecticut's communities.

Measuring Economic Well-being

How much income do Connecticut's older adults need to meet the rising costs of living? How much do public support programs — income, housing, prescription drug, food and medical assistance — help older adults meet their rising expenses? To answer these questions, policymakers, advocates and social service providers need an accurate measure of elder economic security. The national Elder Economic Security Initiative™ (the Initiative), a multi-year, research-driven initiative to raise awareness and improve public policies for older adults, offers such a benchmark — the Elder Economic Security Standard™ Index (the Index).

The Index measures the income older adults require to make ends meet, live with dignity and remain in their own homes. The Index strengthens evaluation of public policy by allowing users to:

- quantify elder economic security;
 - break down the components of elders' basic expenses;
 - measure the gaps between income and economic security;
 - determine how well public policies can help fill those gaps;
 - evaluate the ability of income support programs to move individuals toward economic security; and
 - measure returns on public investment in such programs.
- **Housing:** Rent or mortgage payments and all housing-related costs (heat, utilities, insurance, property taxes) as applicable;
 - **Food:** Costs of food prepared at home (based on the USDA Low-Cost Food Plan for older adults);
 - **Health Care:** Premiums for Medicare Parts B, C, and D, and out-of-pocket costs, including copayments and deductibles;
 - **Transportation:** Costs of private auto ownership and use, and/or public transportation where widely available; and
 - **Miscellaneous:** Essential household and personal items such as clothing, paper products, cleaning products, etc. Miscellaneous expense is estimated at 20% of all other expenses, based on Department of Labor Consumer Expenditure Survey data.

What Does It Take to Age in Place with Dignity?

To arrive at economic security, the Index sums five major monthly expenses which constitute the basic elder household budget. As a measure of basic needs, the Index includes only those goods and services essential to health and welfare:

Table 1 displays the weighted statewide average Index for a single older adult and older couple living in Connecticut.

Table 1: The Statewide Elder Economic Security Standard Index for Connecticut, 2008 (Annual)						
Monthly Expenses	Single Elder			Elder Couple		
	Owner without mortgage	Renter, one bedroom	Owner with mortgage	Owner without mortgage	Renter, one bedroom	Owner with mortgage
Housing	\$657	\$909	\$1,483	\$657	\$909	\$1,483
Food	\$234	\$234	\$234	\$430	\$430	\$430
Transportation	\$209	\$209	\$209	\$368	\$368	\$368
Health Care ("Good Health")	\$385	\$385	\$385	\$770	\$770	\$770
Miscellaneous	\$297	\$297	\$297	\$445	\$445	\$445
Total Monthly (Index) Expenses	\$1,782	\$2,034	\$2,608	\$2,670	\$2,922	\$3,496
Total Annual (Index) Expenses	\$21,383	\$24,408	\$31,296	\$32,039	\$35,064	\$41,952
Source: Alison Gottlieb, Jan Mutchler, and Wider Opportunities for Women, <i>The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for Connecticut</i> (Washington, DC: Wider Opportunities for Women, 2009).						

For further explanation of the methodology, see *The WOW-GI National Elder Economic Security Standard: A Methodology to Determine Economic Security for Elders* (Washington, DC: Wider Opportunities for Women, 2006).

Neither Social Security Nor Median Incomes Allow Connecticut Elders to Achieve Economic Security

Social Security is an important source of income for Connecticut's older adults, particularly women and people of color. *More than 40% of Connecticut's elderly women rely almost exclusively on Social Security for their annual income.*¹ In high-cost Connecticut, where Social Security payments approximate the national average, Social Security payments fail to provide older adults economic security.

The average Social Security payment for a single

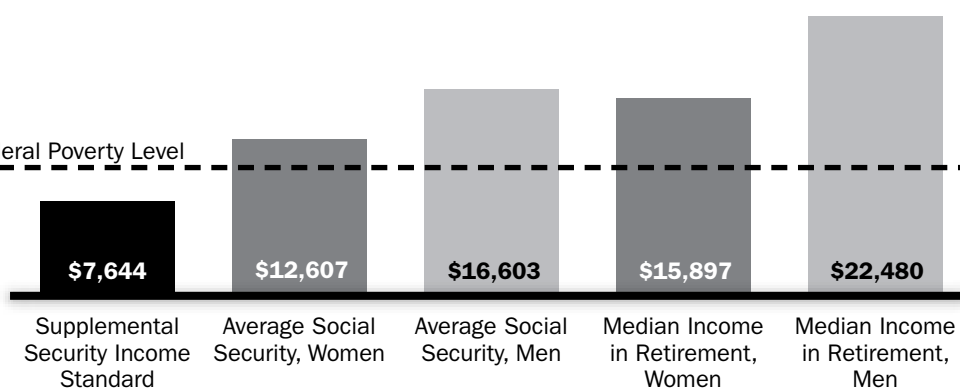
The Index demonstrates that a Connecticut woman who lives alone, rents and relies entirely on the statewide average Social Security payment for a single older woman will fall nearly \$12,000 short of basic economic security each year.

woman retiree in Connecticut is approximately half of the state average Elder Index for renters. *The Index demonstrates that a Connecticut woman who lives alone, rents and relies entirely on the statewide average Social Security payment for a single older woman will fall nearly \$12,000 short of basic economic security each year.* Statewide, average Social Security payments to both men and women fall short of economic security regardless of housing status (renter, homeowner without a mortgage, or homeowner with a mortgage).

Figure 1: Elder Economic Security Standard Index vs. Other Benchmark Incomes for Single Older Adults in Connecticut, 2008 (Annual)

\$24,408 Economic Security for a Single Renter

\$10,400 Federal Poverty Level



Sources: U.S. Census Bureau, 2007 American Community Survey PUMS data. Median income values inflated using BLS CPI inflator for the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA area. Social Security Administration, *OASDI Beneficiaries by State and County*, 2007. Average Social Security values inflated using SSA COLAs.

¹ According to an unpublished Permanent Commission on the Status of Women Report.

Older women with lifetime earnings which reflect the statewide median retirement income do not fare much better than those who rely on Social Security alone — they also cannot achieve economic security. The Index demonstrates that even those with retirement incomes that include individual retirement accounts, private savings and pensions may fall short of economic security. *This problem is most severe for single elderly women. The median retirement income of Connecticut's single older women falls short of economic security for renters by nearly \$7,200 annually, even in Connecticut's least expensive communities. In the state's most expensive communities, median retirement income of single older women leaves them nearly \$11,700 short of meeting basic expenses each year.*

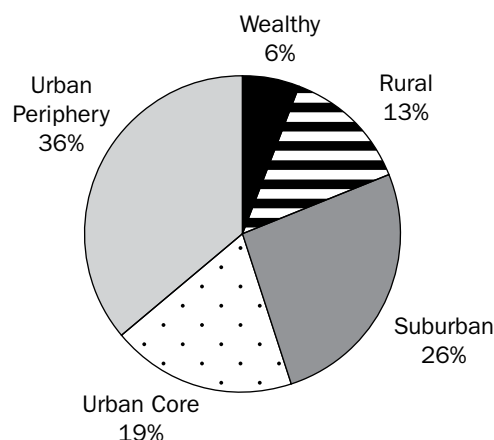
The Cost of Living in the "Five Connecticut"

Local differences in the Index's expense components create a range of minimum retirement income needs across the state. These differences are exemplified by the five municipalities representative of the Connecticut State Data Centers' (CtSDC) "Five Connecticut".² The CtSDC developed demographic designations for Connecticut's towns using three main criteria: income, poverty, and population density. Connecticut's 169 towns are grouped into five categories:

- Urban Core
- Urban Periphery
- Suburban
- Wealthy
- Rural

These five groups reflect separate and distinct Connecticut and allow the Index to more clearly reflect costs for older adults living in different types of communities in Connecticut.

Figure 2: The Distribution of Connecticut Population Among the Five Connecticut



Source: Don Levy, Orlando Rodriguez, and Wayne Villemez, *The Changing Demographics of Connecticut 1990 to 2000, Part 2: The Five Connecticut*, no. OP 2004-01 (Storrs, Connecticut, University of Connecticut, The Connecticut State Data Center, 2004).

Table 2 contains annual Indexes, by housing status, for communities representing each of the five Connecticut. The Indexes for Wealthy Connecticut and Rural Connecticut represent the high and low extremes. The more than \$11,000 difference between costs for a single older homeowner without a mortgage in less expensive communities (Rural) and costs for a single elder renter in high cost communities (Wealthy) demonstrates the variety of income needs throughout the state.

As noted, Social Security payments alone fall short of statewide Indexes. **Figure 3** demonstrates that Social Security is also clearly insufficient when compared to the income needs of renters living in any of the five Connecticut designations.

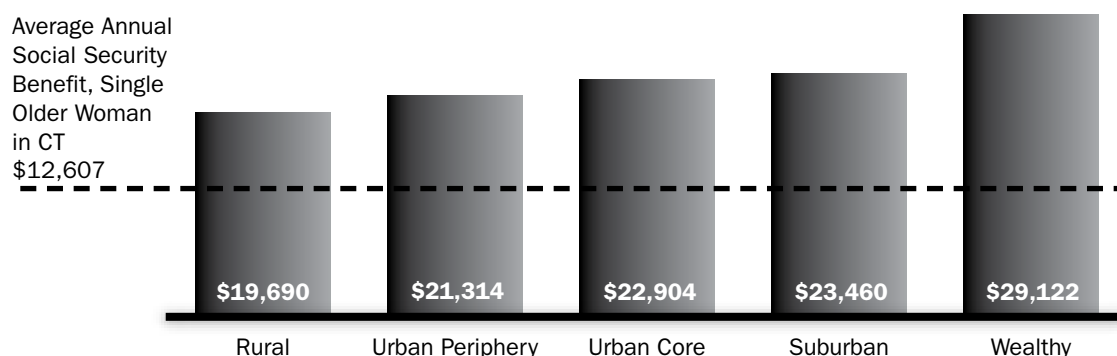
² For more information on the five Connecticut, see www.ctsdc.uconn.edu or contact Orlando Rodriguez (Orlando.Rodriguez@uconn.edu), Demographer & Manager. Don Levy, Orlando Rodriguez, and Wayne Villemez, *The Changing Demographics of Connecticut 1990 to 2000, Part 2: The Five Connecticut*, no. OP 2004-01 (Storrs, Connecticut, University of Connecticut, The Connecticut State Data Center, 2004).

Table 2: The Connecticut Elder Economic Security Standard Index for the Five Connecticut, by Housing Status, 2008 (Annual)

	Single Elder			Elder Couple		
	Owner without mortgage	Renter, one bedroom	Owner with mortgage	Owner without mortgage	Renter, one bedroom	Owner with mortgage
Wealthy (Westport)	\$29,122	\$31,007	\$52,551	\$40,245	\$42,130	\$63,674
Suburban (Cheshire)	\$23,460	\$25,092	\$31,885	\$34,024	\$35,656	\$42,448
Rural (Putnam)	\$19,690	\$21,780	\$27,167	\$30,709	\$32,799	\$38,186
Urban Periphery (Manchester)	\$21,314	\$23,646	\$28,779	\$32,463	\$34,795	\$39,928
Urban Core (New Haven)	\$22,904	\$25,645	\$31,964	\$34,117	\$36,858	\$43,177

Source: Alison Gottlieb, Jan Mutchler, and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard™ Index for Connecticut* (Washington, DC: Wider Opportunities for Women, 2009).

Figure 3: The Connecticut Elder Economic Security Standard Index for Renters in the Five Connecticut, 2008 (Annual)



Sources: Alison Gottlieb, Jan Mutchler, and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for Connecticut* (Washington, DC: Wider Opportunities for Women, 2009). Social Security Administration, *OASDI Beneficiaries by State and County, 2007*. Average Social Security values inflated using SSA COLAs.

Housing and Medical Expenses Have the Greatest Impact on Elder Economic Security

In recent years, price instability has highlighted the importance and budget impact of each Index expense component. However, housing and medical expenses have the greatest impact on economic security. Within any of the representative five Connecticut communities, housing costs are the greatest determinants of elder economic security.

- More than one-fifth (22%) of Connecticut older adults have mortgages and typically spend two-and-a-half times more for housing than those elderly residents who have paid off their mortgages. In the New Haven and Hartford areas (Urban Core), older adults carrying mortgages typically spend twice as much on housing. Elders carrying mortgages in Suburban communities fare the best, but still pay approximately 1.8 times as much as elders without mortgages.

- Approximately 25% of Connecticut's older adults are renters. Index monthly rents within the five Connecticut counties vary greatly, from \$681 in Putnam (Rural) to \$1314 in Westport (Wealthy). Excepting the state's rural communities, rent comprises more than 40% of local Indexes, and in the state's wealthiest towns, such as Westport, average rent exceeds 50% of Index expenses.

Closing the Gaps: Public Supports

Once gaps between income and economic security have been measured, certain questions naturally follow: Can the gaps be bridged? Are there public support programs that can help older adults reach economic security?

It is possible to answer these questions by modeling the impact of widely available, critical public support programs. The Wider Opportunities for Women's Economic Security Simulator™ calculates support levels using Connecticut program eligibility and benefit guidelines. Using the guidelines, one can model changes in economic security as an older adult obtains or loses public supports. The Simulator models the impact of the following major federal- and state-administered support programs. (See the Appendix for full descriptions of support programs, including income and asset eligibility limits.)

- **Housing Assistance:** Connecticut's Rental Assistance Program (RAP) and federal housing assistance (Section 8/HCPV, public housing and the Section 202 Supportive Housing for the Elderly Program)
- **Income Assistance:** Supplemental Security Income (SSI) and Connecticut's State Supplement to the federal SSI payment
- **Medical Assistance:** Medicare Savings Programs (MSPs) and Medicaid
- **Food Assistance:** Connecticut's Supplemental Nutritional Assistance Program (SNAP, formerly Food Stamps)
- **Prescription (Rx) Assistance:** Low Income Subsidy of Medicare Part D (LIS) and Connecticut Pharmaceutical Assistance Contract to the Elderly and Disabled (ConnPACE)
- **Energy Assistance:** Connecticut's Energy Assistance Program (EAP)

Case Study One: The Impact of Public Supports

Table 3 illustrates the impact of public supports on the economic security of a single older woman renting in Manchester, representing the Urban Periphery group. The Urban Periphery is home to more than 36% of Connecticut's population, and Index expenses for older adults living in this designation are therefore the most typical.

Like many in Connecticut, the older woman in Table 3 lives alone and relies on Social Security as her only source of income. Her annual income of \$12,489 (\$1,041/month) is the average Social Security payment for a woman retiree residing in Manchester. Her countable assets of \$1,500 approach, but do not exceed, the asset limits for Medicaid, State Supplement, SSI and SNAP. Her basic expenses are those measured by the Index for a typical elder renter living within the Urban Periphery.³

Table 3 demonstrates increases in economic security as the woman receives supports for which she is eligible. All available supports — not

Without housing assistance, renters across the state and across a spectrum of incomes fall well below economic security.

including housing assistance — reduce the renter's expenditures by 22%, but still leave her with a 25% gap between needs and income.

Housing assistance has the biggest impact on economic security. As Table 3 and Figure 4 show, Connecticut older adults who live on modest fixed incomes such as Social Security and are allotted all public supports for which they are eligible — including housing — can approach or attain economic security.⁴

Without housing assistance, renters across the state and across a spectrum of incomes fall well below economic security. Connecticut's Rental Assistance Program (RAP), like its federally funded counterparts, maintains a long waiting list, normally of more than 7,000 names, and RAP provides far fewer subsidies today than it did two decades ago.⁵

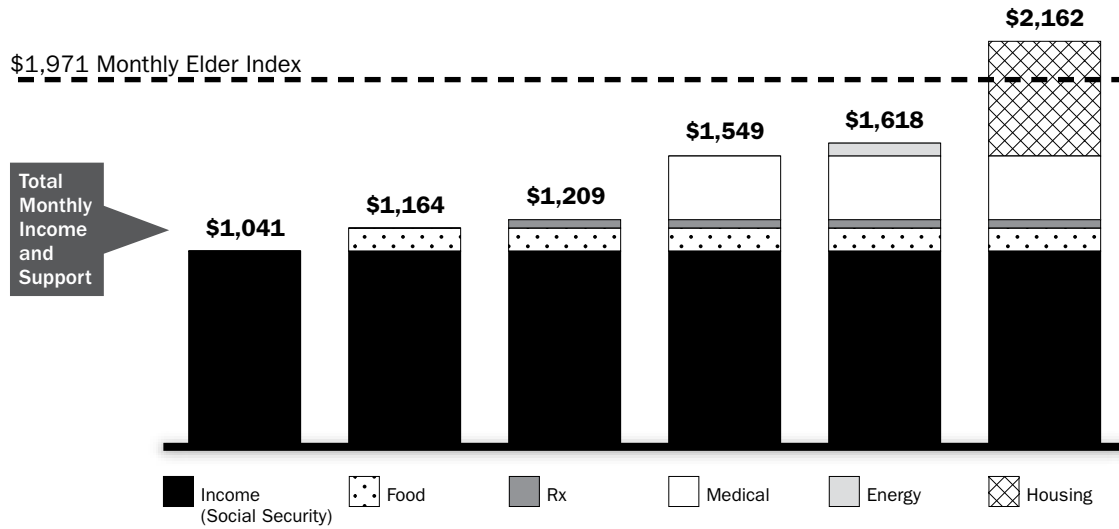
Table 3: The Impact of Supports on Economic Security for a Single Older Renter Living on Average Social Security for Women						
		Income Plus . . .				
Average Monthly Social Security Income	\$1,041			Food + Rx + Medicare Savings Program (MSP) Assistance	Food + Rx + MSP + Energy Assistance	Food + Rx + MSP + Energy + Housing Assistance
Elder Economic Security Index (Total Monthly Expenses)	\$1,971	Food Assistance	Food + Rx Assistance			
Monthly Shortfall	-\$930	-\$807	-\$762	-\$422	-\$353	Economic Security Attained
% Economic Security	53%	57%	58%	71%	75%	
Note: Single, retired woman renter living on average Social Security for women (\$1,041/mn, \$12,489/yr) in Manchester, CT (the Urban Periphery), 2008						

³ Alison Gottlieb, Jan Mutchler and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard™ Index for Connecticut* (Washington, DC: Wider Opportunities for Women, 2009).

⁴ The former eligibility benefit cliff (an income at which eligibility ends or the receipt of one support lowers the value of another) associated with housing assistance was eased in October 2008 when Connecticut raised the SNAP (Food Stamp) program's utility allowances substantially in anticipation of high fuel prices.

⁵ Connecticut General Assembly Office of Legislative Research, "Rental Assistance Program (RAP)," <http://cga.ct.gov/2002/olrdata/hs/rpt/2002-R-0007.htm> (accessed November 1, 2008).

Figure 4: The Impact of Public Supports on Economic Security, 2008



The Index quantifies the cost of property taxes for Connecticut's elder homeowners according to specific geography. The housing component of the Index illustrates that property taxes can be particularly burdensome for Connecticut's aging population. For older adults who are no longer able to maintain their own homes due to health or financial barriers, the availability of affordable rent is critical to allowing them to remain in their communities. These realities, coupled with Index's findings, illustrate how vital access to federal and state housing assistance and property tax reform are in allowing older adults to age in place with dignity.

Case Study Two: Income Assistance Provides the Foundation of Economic Security for Eligible Elders

While those who live on Social Security payments face difficulty in a high-cost state such as Connecticut, older adults who receive income assistance to augment even lower incomes face even more difficult circumstances. To qualify

for Supplemental Security Income (SSI) income assistance, single older adults must have countable annual income less than \$7,644; a couple must have less than \$11,472 annually. The state of Connecticut may supplement the federal income assistance program payment. In 2007, 6,684 non-disabled Connecticut older adults received additional income assistance from Connecticut.

Table 4 and **Figure 5** demonstrate how an older woman's economic security increases when she receives income assistance and other public supports. For older adults with very low incomes, income assistance provides the foundation for economic security. While other income supports provide assistance in meeting a specific need, such as for purchasing food or covering healthcare costs, income assistance provides "cash" which the elder must use to pay for a full spectrum of basic needs.

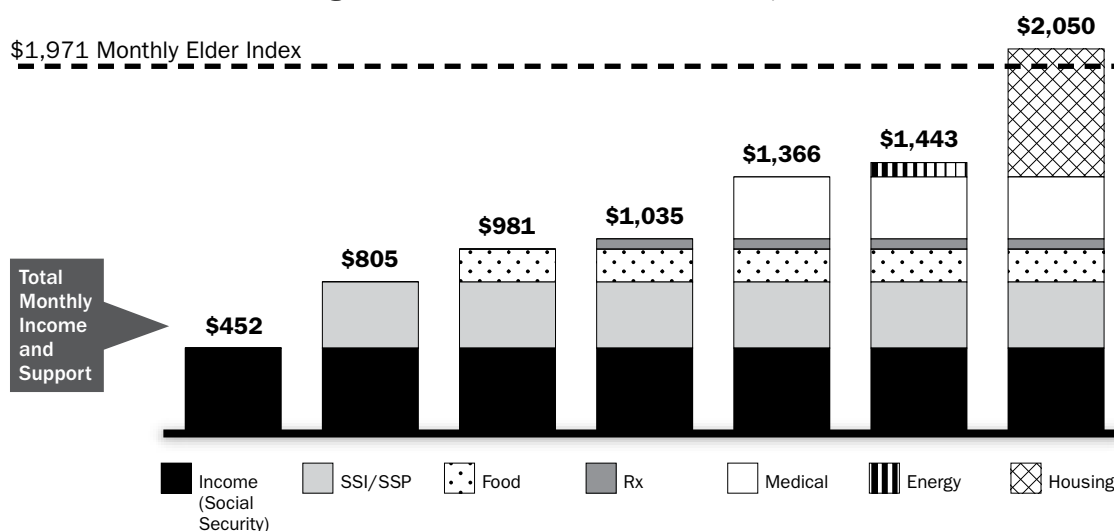
The older woman in Table 4 lives alone and her annual income of \$5,424 (\$452/month before income assistance) is the average Social Security

**Table 4: The Impact of Supports on Economic Security for a Single Older Renter
Very Low Fixed Income (\$452/month) Manchester, CT, 2008**

		Income Plus ...					
Average Monthly Income	\$452						
Elder Economic Security Index (Total Monthly Expenses)	\$1,971	Income Assistance (SSI + State Supplement)	Income + Food Assistance	Income + Food + Rx Assistance	Income + Food + Rx + Medical Assistance	Income + Food + Rx + Medical + Energy Assistance	Income + Food + Rx + Medical + Energy + Housing Assistance
Monthly Shortfall	-\$1,519	-\$1,166	-\$990	-\$936	-\$605	-\$528	Economic Security Attained
% Economic Security	23%	41%	45%	46%	57%	60%	

Note: Single, retired woman renter living on average Social Security payment for Connecticut elders who also receive federal income assistance (\$452/mn, \$5,424/yr before income assistance), Manchester, CT (the Urban Periphery), 2008

**Figure 5: The Impact of Public Supports on Economic Security
Single Older Renter on Low Fixed Income, 2008**



Note: Single, retired woman renter living on average Social Security payment for Connecticut elders who also receive federal income assistance (\$452/month, \$5,424/yr before income assistance), Manchester, CT (the Urban Periphery), 2008.

benefit for Connecticut elders who also receive federal income assistance.⁶ Her countable assets of \$1,500 approach, but do not exceed, the asset requirements for federal and state income assistance. She receives \$353 per month in income assistance, and her monthly income from

all sources is \$805 (\$9,661). Income assistance moves her economic security from 23% to 41%.

The older woman is also both income and asset eligible for food, energy, medical and housing assistance. Receiving all available supports moves the elder from 23% economic security to economic security, with the largest increases coming from income, housing and medical assistance. Table 4 and Figure 5 demonstrate

⁶ United States Social Security Administration, *Annual Statistical Supplement, 2008*, <http://www.ssa.gov/policy/docs/statcomps/supplement/2008/7d.html> (accessed November 15, 2008).

With receipt of income supports, when incomes rise above \$16,000, (approximately 150% FPL), economic security is out of reach and gaps persists for those whose incomes don't reach the Index.

the importance of income, housing assistance and other public support programs. They also demonstrate the distance between economic security and low incomes if housing assistance is unavailable to older adults.

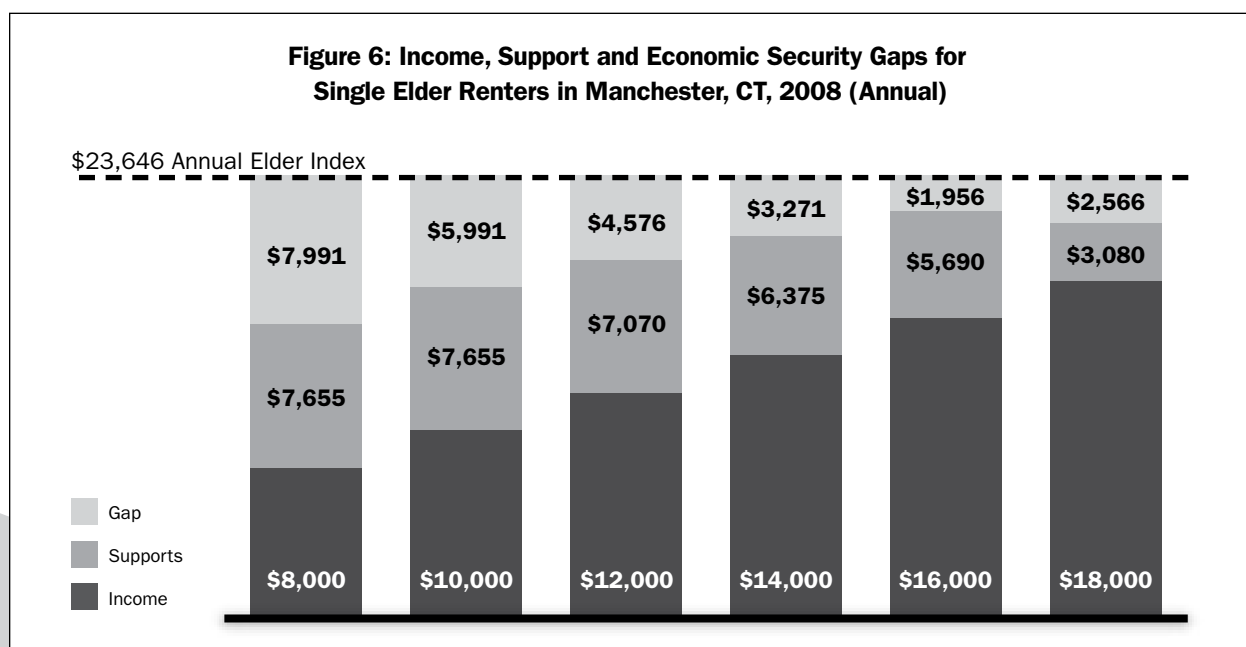
Gaps Between Income and Economic Security Persist, Even as Income Rises

Both case studies above show that housing, income and medical assistance are the public supports most effective in filling the gap between incomes and the cost of living for older adults. However, because eligibility for public supports begins to fall off as incomes exceed the federal poverty level, single Connecticut older adults living above the federal poverty level (FPL) face economic security gaps nearly as large as those

faced by those living below the poverty level. This effect is magnified for those who don't receive housing assistance.

Figure 6 exhibits gaps between income and economic security across a range of incomes for older adult renters in the Urban Periphery. At the lowest income modeled, \$8,000 per year, supports not including scarce housing assistance reduce expenses by roughly \$7,650. Supports contribute nearly as much to her security as does her income. However, an older adult is still left with a gap between annual income and annual Index expenses of nearly \$8,000, an amount nearly equal to her income and greater than her public supports.

With receipt of income supports, when incomes rise above \$16,000, (approximately 150% FPL), economic security is out of reach and gaps persists for those whose incomes don't reach the Index. Due to benefit cliffs – incomes at which eligibility ends or the receipt of one support lowers the value of another – a \$2,000 increase in income is not accompanied by a \$2,000 decrease in the gap between income and economic security.



Policy Recommendations

During these economic times, those relying primarily on Social Security and those who have suffered significant losses in retirement investments need to rely on state and federal assistance to survive. Connecticut has a complex array of public and private supports to assist older adults struggling to make ends meet. Current budget shortfalls provide opportunities for policymakers to evaluate policies and programs for older adults. The findings indicate that such programs make a critical difference for those whose income falls short.

A significant number of Connecticut's older residents, including more than 45% of older women, rely almost exclusively on Social Security for their retirement income.⁷ Unfortunately, Social Security pays an average of \$12,600 annually, far short of what is required to meet basic needs. *In fact, the Index demonstrates that those single older adults living on Social Security face an annual gap of about \$7,000 to \$40,000 between income and expenses.* Successful state and federal programs can help older adults meet basic needs.

Short-Term Policy Solutions

Given current fiscal limitations of state government, low- or no-cost policy options for the short-term follow.

- **Evaluate and protect.** Use the Index to prioritize programs that support the economic well-being of low-income individuals and families, particularly in *housing and health care*.
- **Raise income potential for older workers.** Encourage employers, both public and private, to "redefine retirement." This means providing more flexibility in work options, including

pro-rated benefits for part-time workers, telecommuting, and a shorter workweek.

- **Simplify eligibility.** Reduce confusion and duplication of applications for eligibility for benefit programs such as ConnPACE, Food Stamps and energy assistance. Older adults (and many who assist them) are confused by the far-ranging income limits, which are different for each program. This process is often complicated by low literacy or cultural and language barriers. A single intake application could streamline the processes in place, creating efficiencies for intake workers and applicants.
- **Enhance outreach.** Broaden and diversify outreach and public information on income supports, including targeted outreach and support for caregivers — the majority of whom are women juggling work and family.
- **Encourage retirement planning.** As recommended in the state's Long-Term Care Needs Assessment, Connecticut should embark on an educational campaign encouraging individuals to plan for their and their families' future long-term care needs.⁸
- **Maximize federal funding.** Adopt measures to allow more low-income older adults to participate in the Medicare Savings Program. This could save older adults hundreds of dollars annually and would also shift some prescription drug coverage from ConnPACE to Medicare Part D.

⁷ According to an unpublished Permanent Commission on the Status of Women report.

⁸ *The Connecticut Long-Term Care Needs Assessment* conducted by the University of Connecticut Health Center included a comprehensive literature review on Connecticut-specific and national data, as well as statewide mail, telephone and in-person surveys of both Connecticut residents and providers of long-term care services. Research staff also conducted a full review of Connecticut's existing array of services and long-term care system rebalancing efforts. (See <http://www.cga.ct.gov/coa/longtermcare.asp>)

Long-Term Solutions

To fully address economic security for older adults, it is clear that long-term solutions are needed. *The Index shows that housing costs pose the largest burden on older adults, so programs which alleviate the financial burdens associated with housing should get the highest priority.* In addition, the findings indicate that health care assistance and income supports are critically important to maintaining economic security for older adults in Connecticut.

The following long-term policy options focus on three main areas: raising the incomes of older adults, reducing housing costs and increasing access to affordable health care.

1. Reduce housing costs. Without affordable housing, attaining economic security is nearly impossible for the majority of older Connecticut renters and homeowners. The state Departments of Economic and Community Development (DECD) and Social Services (DSS) each run housing voucher programs that can benefit low-income older adults. However, the E-RAP (DECD) and RAP (DSS) programs offer a limited number of vouchers; only a very small percentage of eligible applicants receive housing assistance. The majority of applicants languish on waiting lists, many for a minimum of three years.

- **Increase the number of housing vouchers** to help more older adults achieve economic security as well as overall independence.
- **Reform property taxes.** Connecticut residents bear the third highest property tax burden in the nation. Over the past several years, those taxes have risen about 6% annually, placing an added burden

on those with fixed incomes. State and local tax relief programs can be confusing, under utilized and, when they shift the tax burden to younger residents, contentious.

- » The state should examine combining or streamlining existing property tax relief programs for efficiency and ease of use.
- » Towns should be required to send easy-to-understand information about local programs to residents with their property tax bills.
- » Comprehensive tax reform on the state level would shift the burden away from the property tax.

2. Raise incomes for older adults.

Connecticut should increase the State Supplement Program (SSP). Connecticut could increase income for the poorest older adults who are struggling to meet living expenses by raising benefit levels in the state supplement also known as "old age assistance." Increasing the state SSP would add desperately needed income and provide automatic Medicaid eligibility to thousands of low-income elders.

3. Expand eligibility for health care programs and create a healthier Connecticut.

Many older adults find their incomes are insufficient for economic security, but place them over the limits of state programs such as ConnPACE and Medicaid. Health care is intrinsic to economic security for older adults, especially women, who live longer and struggle with chronic conditions more often than men.

- **Fund proven prevention programs** such as fall prevention, flu/pneumonia shots, and chiropractic and podiatric care under Medicaid.

- **Create equity in the income standard for adults receiving Medicaid** and alleviate the administrative burdens associated with Medicaid "spend down" for many low-income older adults and people with disabilities. This can be done by establishing a special income disregard applicable only to "aged, blind or disabled individuals" for Medicaid only.

Finally, limitations in federal programs including Social Security and Medicare have a significant impact on the economic and health security of older adults, especially women in Connecticut.

Connecticut policymakers should work with the state's federal delegation to advance those policies outside the state's purview. The national initiative is seeking changes at the federal level as well.

For more information, please visit the Connecticut General Assembly's Permanent Commission on the Status of Women (<http://www.cga.ct.gov/PCSW/>), the Connecticut Commission on Aging (www.cga.ct.gov/coa) and Wider Opportunities for Women (www.wowonline.org) online.

CT EESI Policy Recommendations endorsed by:

AARP-CT

Center for Medicare Advocacy, Inc.

Connecticut Alliance for Retired Americans

Connecticut Commission on Aging

Connecticut Community Care, Inc.

OWL: the Voice of Mid-Life and Older Women

Connecticut Center for Patient Safety

Permanent Commission on the Status of Women

Southwestern Connecticut Agency on Aging

Edward E. Sullivan Senior Center

Old Saybrook Pension and Benefits Board

Fairfield County Community Foundation

Senior Resources-Agency on Aging

Connecticut Association of Area Agencies on Aging

North Central Connecticut Area Agency on Aging

Appendix: Connecticut Support Programs, 2008

Income Support – Supplemental Security Income (SSI)

Supplemental Security Income, administered by the federal Social Security Administration, provides monthly cash payments to older adults with very low income. The State of Connecticut may supplement the federal payment for some recipients. SSI eligibility income and asset limits are the lowest of any work or income support available to Connecticut elders. To qualify, single older adults must have countable annual income of less than \$7,644; a couple must have less than \$11,472. SSI payments fill the gap between recipients' incomes and the SSI and State Supplement standards. Single and married older adults must also maintain no more than \$2,000 and \$3,000 in assets, respectively, not including a home, one car, and household items. In order to receive SSI, participants must also apply for any other cash benefits for which they may be eligible.

Income Support – State Supplement

Connecticut's State Supplement, a state-funded program, provides monthly cash payments to older adults with very low incomes, many of whom receive Supplemental Security Income. "Income limits" for recipients are calculated on an individual basis using a standard of need including rent and personal needs allowances.

Nutrition Assistance – Supplemental Nutrition Assistance Program (SNAP)

Connecticut's Supplemental Nutrition Assistance Program (the former Food Stamps Program) provides low-income households with electronic benefits which participants use to purchase food. The US Department of Agriculture funds the SNAP program through the Food and Nutrition Service, and the State of Connecticut administers the

program, including determination of eligibility and distribution of benefits. In order to participate, a single elder's (net) annual income must be no more than 100% FPL (\$10,400; \$14,000 per 2-person household) after deductions for earned income and a portion of medical and other basic expenses. In Connecticut, eligible older adults must maintain no more than \$3,000 in assets. Effective October 2008, the SNAP program excludes tax-qualified education and retirement savings accounts from the definition of assets, and asset limits will rise annually to account for annual inflation adjustments.

Medicaid

Connecticut's Medicaid program is a public health insurance program which serves low-income families and pays for nearly all "medically necessary" health care for certain individuals with incomes between 58% and 70% FPL, depending on marital status and which of three Connecticut regions he/she lives in. Older adults with slightly higher incomes may be eligible to participate in Medicare Savings Programs or the Medicaid "spend down" program, which allows Medicaid eligibility after medical expenses have effectually reduced an elder's income to the Medicaid income limit. Single and married older adults must maintain no more than \$1,600 and \$2,400 in assets, respectively.

Medical Assistance – Medicare Savings Programs (QMB, SLMB and ALMB)

The Medicare Savings Programs (MSPs) include the Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB/SLMB+) and Additional Low-Income Medicare Beneficiary (ALMB) programs. The programs help low-income older adults enrolled in Medicare Part A pay for all or part of Medicare Parts A and B premiums, deductibles and copayments. (Premiums for Part C, which are largely obviated by the Parts A and

B subsidies, are not covered.) In Connecticut, the programs are administered by the state and the federal Social Services Administration. For full QMB eligibility, a single elder's gross annual income must be no more than 128% of the federal poverty level or FPL (\$13,296); for SLMB, no more than 148% FPL (\$15,377); for ALMB, no more than 163% FPL (\$16,937). Single and married older adults must also maintain no more than \$4,000 and \$6,000 in assets, respectively, for the QMB and SLMB programs.

Federal Prescription Assistance – Medicare Part D Low Income Subsidy (LIS)

The Low Income Subsidy helps low-income older adults with prescription drug costs. The federal government pays subsidies to the participant's chosen private Medicare Part D drug (insurance) plan, helping pay premiums, deductibles and copayments. Those with Medicaid, or those participating in Medical Savings Programs, automatically qualify for LIS. For full eligibility, a single elder's gross monthly income must be no more than 100% FPL (\$10,400); thereafter the program provides help on a sliding scale to those with incomes up to 150% FPL (\$15,600). Single and married older adults must also maintain no more than \$7,790 and \$12,440 in assets, respectively, to receive full LIS benefits.

Prescription Assistance – Connecticut Pharmaceutical Assistance Contract to the Elderly and Disabled (ConnPACE)

The ConnPACE program helps low-income older adults with prescription drug costs. The state program subsidizes premiums paid to the participant's private Medicare Part D drug (insurance) plan above the state's Part D benchmark premium. Participants pay no premiums or deductibles, but pay copayments below the \$16.25-per-prescription limit. In order to participate, a single elder's monthly income

must be no more than 228% FPL (\$23,700; \$31,900 per 2-person household). There is no asset eligibility test.

Energy Assistance – Connecticut Energy Assistance Program (CEAP)

Connecticut's several energy assistance programs provide direct payment to energy suppliers to assist low-income households that spend a high proportion of their income on energy. The Connecticut Energy Assistance Program is funded primarily by the federal LIHEAP block grant. CEAP is administered by the Connecticut Department of Social Services and local community action, community council and other non-profit organizations. Assistance is based on income, household size and the cost of utilities. Federal funding that passes to the states is fixed annually, and distributed on a first-come, first-serve basis. For CEAP eligibility, a single elder's annual income must be no more than 200% FPL (\$20,800; \$28,000 per 2-person household). Those with slightly higher incomes may be eligible for the state-funded Contingency Heating Assistance Program (CHAP). For CHAP eligibility, a single elder's annual income must be no more than 50% state median income (\$29,272; \$38,279 per 2-person household). For those who have received CEAP assistance, but demonstrate themselves to be unable to pay for their deliverable heating fuels, the state also makes available one-time Crisis Assistance and Safety Net assistance payments.

Housing Assistance

Eligible older adults can receive direct or indirect housing subsidies from three programs funded by the US Department of Housing and Urban Development (HUD): The Housing Choice Voucher Program (HCVP, formerly Section 8), Public Housing, and the Section 202 Supportive Housing for the Elderly Program. Recipients of a Section 8 voucher may select any market-rate rental

housing with a property owner willing to accept the HCVP voucher, and voucher amounts are based on a local "fair market rent" established by HUD. The Section 202 program provides capital and operating funds to developers and operators of senior housing.

Those with 80% area median income (AMI; \$43,050 for a single person in Manchester, Connecticut) are eligible for assistance. However, those with "very low" incomes, below 30% AMI (\$17,050 for a single person in Manchester, Connecticut), are granted priority; because the supply of public housing and housing vouchers is limited, most housing assistance recipients have incomes below 30% AMI, and housing assistance recipients rarely have incomes above 50% AMI.

Rental Assistance Program (RAP)

Like federally sponsored housing assistance programs, Connecticut's Rental Assistance Program provides housing subsidies paid to private property owners to reduce tenant payments. RAP is administered by the Connecticut

Housing Finance Authority (CHFA), and provides help to those with up to 50% AMI (\$28,400 for a single person in Manchester, Connecticut) who would otherwise remain on federal housing assistance waiting lists. Participants are typically required to spend 30% of their incomes on their subsidized rents.

The Elderly Rental Assistance Program (Elderly RAP or E-RAP)

The Elderly Rental Assistance Program (Elderly RAP or E-RAP) provides rental assistance for residents of state-funded elderly housing developments who spend more than 30% of their income on rent and utilities. Eligibility is determined by state-assisted housing operators. In state fiscal year 2004, 1,238 elderly-occupied units received subsidies. Even though state elderly/disabled housing rents are generally well below market rates and among the lowest of publicly assisted housing rents, a substantial number of elderly and disabled residents lack sufficient income to pay even base rents.

Table 5: Connecticut Public Supports Income and Asset Eligibility Limits, 2008

Federal Poverty Level (FPL)	Single: \$10,400	Couple: \$14,000		
Support Program	Income Limits, % FPL, Single*	Income Limits, % FPL, Couple	Asset Limits, Single	Asset Limits, Couple
Supplemental Security Income	74%	82%	\$2,000	\$3,000
State Supplement**	65%	65%	\$1,600	\$2,400
Medicaid (Region A)	70%	67%	\$1,600	\$2,400
Medicaid (Region B)	58%	58%	\$1,600	\$2,400
MSP QMB	128%	141%	\$4,000	\$6,000
MSP SLMB	148%	161%	\$4,000	\$6,000
MSP ALMB	163%	176%	N/A	N/A
Medicare Part D LIS, full	100%	100%	\$7,790	\$12,440
Medicare Part D LIS, partial	150%	150%	\$11,990	\$23,970
ConnPACE	228%	228%	N/A	N/A
SNAP (food)	100%	100%	\$3,000	\$3,000
CEAP*** (energy)	50% SMI	50% SMI	\$10,000	\$10,000
Housing Assistance	80% AMI	80% AMI	N/A	N/A
RAP****	50% AMI	50% AMI	N/A	N/A

AMI = area median income

SMI = state median income

*Income limits may be gross income or net/countable income, and are elder-specific where possible.

** Income limits/standards of need for a renter or renter couple who pay(s) rents greater than \$400 and \$600, respectively.

***Asset limit for renter households. Asset limit for homeowners is \$7,000.

**** Families with assets exceeding \$5,000 may have a portion of asset-based income added to household income during eligibility determinations.



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